DEPARTMENT OF REVENUE

**SOLID WASTE MANAGEMENT TAX**
**Residential Generators**

March 25, 2026

| | Yes | No |
|---|---|---|
| DOR Administrative Costs/Savings | | X |

Department of Revenue
Analysis of S.F. 2437 (Dibble) As Proposed to be Amended (SCS2437A-2)

| | Fund Impact | | | |
|---|---|---|---|---|
| | F.Y. 2026 | F.Y. 2027 | F.Y. 2028 | F.Y. 2029 |
| | (000's) | | | |
| Environmental Fund | $0 | ($30) | ($30) | ($30) |
| General Fund | $0 | ($10) | ($10) | ($10) |
| Total – All Funds | $0 | ($40) | ($40) | ($40) |

Effective July 1, 2026.

**EXPLANATION OF THE BILL**

**Current Law:** The solid waste management tax (SWMT) is imposed on charges for the collection and disposal of solid waste. The current rate is 9.75% for residential services and 17% for commercial services and self-haulers. A 501(c)(3) organization is considered a commercial generator.

**Proposed Law:** A 501(c)(3) organization that receives donations for resale from single-family residences or other residential generators will be considered a residential generator and will pay the residential rate of 9.75% instead of the 17% commercial rate.

**REVENUE ANALYSIS DETAIL**

- It is assumed that about 200 nonprofit generators would change from the commercial to the residential rate.
- The Fiscal 2025 collections of the SWMT at the commercial rate are used as the starting point of the estimate.
- The commercial rate is scaled to the residential rate for the estimated population of qualifying entities.
- Solid waste management tax collections from the February 2026 forecast are used to grow the estimates.
- The fiscal year 2027 estimates are adjusted for eleven months of collections.

Minnesota Department of Revenue
Tax Research Division
https://www.revenue.state.mn.us/revenue-analyses